



Committee On Finance

Max Baucus, Ranking Member

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FLOOR STATEMENT OF SENATOR MAX BAUCUS COLLAPSE OF THE WTO MINISTERIAL SEPTEMBER 17, 2003

(WASHINGTON, D.C.) U.S. Senator Max Baucus issued the following statement regarding the break down of the WTO Ministerial in Cancun this past weekend during today's Senate debate. The following is the speech as prepared for delivery:

Mr. President, I rise today to talk about next steps for our trade agenda after last week's collapse of the World Trade Organization Ministerial in Cancun.

Certainly, the WTO is not dead. In fact, this kind of setback is fairly common in its history. Sooner or later the negotiators pick up the pieces and get back to work. We must and we will continue to try to get the Doha Round negotiations back on track. And eventually, I think we will succeed. But it probably won't happen soon. In the meantime, we need to learn from last week's events and adjust our national trade strategy accordingly. In my view, there are two important lessons to be learned.

First, we can't count on a sweeping WTO agreement to be an engine of economic growth for our country any time soon. The President has made the stimulative effect of a strong WTO agreement a centerpiece of his plan for economic recovery and long-term growth. If we want to stimulate the economy through trade – and I certainly support that goal – then we need a new plan.

Second, the Administration needs to rethink its strategy for picking FTA partners. I have heard many times that we need FTA partners who will be allies in the WTO and help the United States move that process forward. Instead, many of the same countries who are negotiating FTAs with us joined the G-21 and helped deadlock the Ministerial. So where do we go next?

To begin, I don't think we should overreact. Punishing trading partners with whom we have differences of opinion is not likely to be productive in the long term. That doesn't mean they get a free pass. To the contrary, the onus is very much on Costa Rica, South Africa, Guatemala, and the others to take significant, constructive steps right now to show that they take their FTA negotiations seriously and are committed to comprehensive agreements with the United States. Where they have been holding back in FTA talks, they need to start putting more on the table. And if they don't, they should realize we have other countries to look to.

At the same time, we need to think hard about how to use trade agreements to create economic alternatives to the WTO. American workers, farmers, and businesses have just suffered a big setback. They will not see the economic benefits of the Doha Round for a long time. We need to focus our negotiating resources on bilateral and regional deals that can provide real commercial

opportunities in the short term. That means, in picking FTAs, we need to give less weight to foreign policy and more weight to economic policy.

Access to the large and vibrant U.S. market remains our best leverage in opening markets around the world. We must continue to use that leverage well. I am disappointed in the outcome of Cancun. Like all disappointments, however, it offers lessons for the future. I hope we will learn those lessons and apply them to our trade agenda as we move forward.

Thank you, Mr. President. I yield the floor.